

## 2013 DRAFTING REQUEST

### Bill

Received: **5/6/2013** Received By: **tdodge**  
Wanted: **As time permits** Same as LRB:  
For: **Garey Bies (608) 266-5350** By/Representing: **Cory Bruce**  
May Contact: Drafter: **tdodge**  
Subject: **Medical Assistance** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email: **Rep.Bies@legis.wisconsin.gov**  
Carbon copy (CC) to: **tamara.dodge@legis.wisconsin.gov**

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### Pre Topic:

No specific pre topic given

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### Topic:

Expand Family Care to certain northeastern Wisconsin counties

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### Instructions:

See attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tdodge 7/8/2013			_____			
/P1	tdodge 8/21/2013	jdye 7/15/2013	jmurphy 7/15/2013	_____	srose 7/15/2013		State S&L
/P2	tdodge 9/19/2013	jdye 8/22/2013	jfrantze 8/22/2013	_____	sbasford 8/22/2013		State S&L
/1		jdye	phenry	_____	mbarman	mbarman	State

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		9/20/2013	9/20/2013	_____	9/20/2013	9/20/2013	S&L

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/1		jdye	phenry		mbarman		State

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/P2		jdye 8/22/2013	jfrantze 8/22/2013		sbasford 8/22/2013		State S&L

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Assembly

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/P1		jdyer 7/15/2013	jmurphy 7/15/2013		srose 7/15/2013		State S&L

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1/?	tdodge	PI 7/15 jld	jm 7/15	self			

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## Dodge, Tamara

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**From:** Bruce, Cory  
**Sent:** Monday, May 06, 2013 10:39 AM  
**To:** Dodge, Tamara  
**Subject:** Requets for Bill Draft - family care expansion  
**Attachments:** Abridged Version.pdf; Brochure 2012.pdf; Brochure 2013 Support Long Term Care Continuation.pdf; Legislative Briefing 02092012.pdf

Tammy,

Attached is information about Family Care and the expansion to the 7 counties that make up the Northeast district. Below is an email from Rolf Hanson, who is the chief executive officer for the group that provides some background information. He would be a good resource if you have questions as you work on drafting the bill. His number is: 920-857-9854.

Please let me know if there is anything else we can provide.

Cory Bruce  
Office of Rep. Bies

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**From:** Rolf Hanson [mailto:rolf.hanson@new.rr.com]  
**Sent:** Thursday, February 14, 2013 4:34 PM  
**To:** Bruce, Cory  
**Cc:** 'Debbie Peterson'; 'Rolf Hanson'  
**Subject:** RE: family care expansion

Bruce,

Thank you for your email. Let me share some information and I have also attached some additional information for your review. I would appreciate the opportunity to meet with Rep. Bies and yourself in Madison or with Rep. Bies in the District. I live in Fish Creek and he and I met at the White Gull Inn in Fish Creek for breakfast several months ago.

The expansion of Family Care to our region will save the State money in the coming biennium according to the Legislative Fiscal Bureau as well as our own analyses. There are significant benefits to our region including all eligible people will be able to access long term care programs, business expansion opportunities for small business and increase in employment.

First, let me provide a brief background and I apologize if you are already familiar with the various programs.

The expansion of Family Care and IRIS to our region would be a continuation of long term care reform which started under Governor Tommy Thompson. Currently 57 of Wisconsin 72 counties have Family Care and IRIS. Family Care and IRIS replace the current long term care programs currently administered by the counties ("Legacy Waivers) which serve many eligible people but not all eligible people. The people not served on put on waiting lists and they come off the waiting lists and are eligible for services. The groups of people that are included in these programs are persons with developmental or physical disabilities.

One of the results of the long term care reform is the elimination of waiting lists. Waiting lists are eliminated over a 36 month period once a county moves into Family Care. Currently Door, Brown and Kewaunee Counties combined serve around 1900 people and have waiting lists totaling over 500 of fully functional and eligible individuals.

The Department of Health Services has found that the Family Care model is more cost effective than the Legacy Waiver model. By moving to a regional model, a Family Care organization (which Northeast Wisconsin Family Care District

would be) is able to reduce price variation for services across the region, provide business opportunities to organizations to develop expanded and new capabilities, and align services to support individuals' outcomes across the region.

For example, Advocates for Independent Living based in Sturgeon Bay has expanded their services to Marinette and Oconto Counties to prepare for Family Care.

Since more people will be served, there will be an increase in employment primarily in care management/service coordination staff in the region.

When I met with Rep. Bies, he said he was a guardian for an individual who is currently receiving Legacy Waiver services in Door County.

We had a "Family Care 101" session for area legislators this past August. Rep. Bies was not able to attend. I have attached the Abridged Version of Family Care that we developed for that session. I have also attached the Legislative Briefing from February 9, 2012, for area legislators that contains the financial projection for the expansion to our region. We estimate that we would have 12 month pre-operational costs of about \$2.1 million and first year cash savings (assuming all current Legacy Waiver rolled over on day 1 to Family Care and IRIS) of \$6.8 million. We would be rolling counties into Family Care over a 12 month period so I would roughly estimate the savings in the first year would be in the \$3-4 million range so the net savings to the State would be at least in the \$1-2 million range for all funds assuming that we would go operational July 1, 2014. If we go sooner, then there would be greater savings.

The seven counties of Northeast Wisconsin established the Northeast Wisconsin Family Care District. We are a "quasi-governmental" organization. Each of the seven counties has appointed one member to the District Board. There are three consumer representatives on the Board. The District was established after several years of planning by county elected and appointed officials and county staff. I have attached our generic trifold brochure and a brochure on the benefits to the counties.

I would like to follow up with you by phone after you have had a chance to review the email and attached materials. If you have questions, please let me know and do not hesitate to call.

Thank you.

Rolf

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**From:** Bruce, Cory [<mailto:Cory.Bruce@legis.wisconsin.gov>]  
**Sent:** Thursday, February 14, 2013 12:14 PM  
**To:** [rolf.hanson@new.rr.com](mailto:rolf.hanson@new.rr.com)  
**Subject:** family care expansion

Rolf,

We're getting more contacts about the family care expansion to our area. Can you send us the most recent information you have about how this will benefit our area and the costs associated with it? I'd like Gary to have the most up to date information as we head into the budget.

Thanks,

Cory Bruce

Office of Rep. Bies

## Items Covered in the Family Care Benefit Package

- Adaptive Aids *general and vehicle*
- Adult Day Care
- Alcohol/Drug Abuse Day Treatment Services
- Care/Case Management
- Communication Aids/Interpreter
- Community Support Programs
- Consumer/Self Directed Support
- Education/Training
- Counseling & Therapeutic Services
- Daily Living Skills Training
- Day Services/Treatment
- Durable Medical Equipment *except hearing aids/prosthetics*
- Home Health
- Home Modifications
- Housing Counseling
- Home Meal Delivery
- Mental Health Day Treatment Services *all settings*
- Mental Health Services *except physician or inpatient*
- Nursing Facilities/Services
- Occupational Therapy *except inpatient hospital*
- Personal Care
- Personal Emergency Response System Services
- Physical Therapy *except inpatient hospital*
- Prevocational Services
- Relocation Services
- Residential Services (RCAC)
- Community Based Residential Facility (CBRF)
- Adult Family Home
- Children's Foster Care/Treatment Foster Care
- Respite Care
- Specialized Medical Supplies
- Speech/Language Pathology *except inpatient hospital*
- Supported Employment
- Supportive Home Care
- Transportation
- Vocational Futures Planning

## NORTHEAST WISCONSIN FAMILY CARE BOARD OF DIRECTORS

\*Carol Andrews (*Brown*)

\*\*Carolyn Barke

\*\*Mary Derginer

\*Marshal Giese (*Shawano*)

\*Kathy Just (*Marinette*)

\*\*Julie Kudick

\*Mark Moeller (*Door*)

\*Diane Nichols (*Oconto*)

\*Janice Swoboda (*Kewaunee*)

\*Tony Waupochick (*Menominee*)

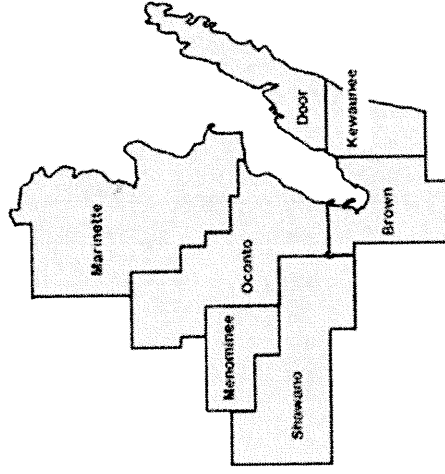
**NEW FC Board of Directors  
have adopted the  
Policy Governance Model.**

*\*Appointed by County Board*

*\*\*Consumer Representative initially  
approved by all 7 Counties*

# SUPPORT

## Continuation of Long Term Care Reform



Brown, Door, Kewaunee, Marinette,  
Menominee, Oconto and Shawano  
counties established the  
Northeast Wisconsin  
Family Care District  
in October 2010  
to become the  
Family Care organization  
for their region

January 31, 2013

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# Why Support Continuation of Long Term Care Reform?

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- Wisconsin began its reform of long term care with Family Care over 12 years ago with the objective to reform the entire State. Family Care and IRLS have been extended to 57 of 72 Wisconsin Counties. Waiting Lists are eliminated in Family Care.

- There will be no waiting lists in 53 of these 57 Counties as of April 1, 2013. The remaining 4 counties' waiting lists will be eliminated by April 2014. If you live in one of the 53 Counties, you will be immediately eligible for long term care services. However, if you live in Northeast Wisconsin, you will be put on a waiting list—which could take several years before receiving services.

- The Counties and Tribes in our region currently serve approximately 2,700 adults with disabilities & elderly individuals with chronic care conditions. Nearly 1,000 individuals remain on wait lists.
- Counties receive financial benefit when Family Care is implemented since they no longer have fiscal liability for the programs Family Care replace. Additionally, Counties may reallocate State funds to cover State mandated services.
- Wisconsin has committed to the Federal Government that it will begin expansion to the remaining counties beginning as soon as possible in the biennium beginning July 1, 2013. This commitment made in the "1915 (c) waivers" has been confirmed by DHS.
- Governor Walker has been supportive of Family Care and used the achievement of eliminating the elderly wait list during his Milwaukee County Executive administration in his

- The Legislative Fiscal Bureau, in its analysis of the last Family Care expansion which was to Lincoln and Langlade Counties, determined the State would save money during that biennium.
- Each of the seven Counties (Brown, Door, Kewaunee, Marinette, Menominee, Oconto, and Shawano) passed a resolution in 2010 to move ahead with Family Care for the region and to have Northeast Wisconsin Family Care be the Family Care organization for their region.

- Northeast Wisconsin Family Care maintains a website: [www.northeastwisconsinfamilycare.com](http://www.northeastwisconsinfamilycare.com) and a Facebook page—friend us!

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**PLEASE.....**

Support the Continuation  
of Long Term Care Reform

# **Northeast Wisconsin Family Care**



## **Family Care Overview**

**“Abridged Version”**



*Updated February 14, 2013*

Wisconsin spends about \$2.8 billion for long term care services for about 76,000 residents.

Individuals Served Each Month	Annual Cost	Service Description
43,000	\$1.3 Billion	Family Care, PACE, Family Care Partnership, IRIS
17,400	\$973 Million	Nursing Home/Institutional Settings
11,000	\$289 Million	Legacy Waivers {including community Integration Program (CIP), Community Options Program (COP) and Children's Waivers}
5,000	\$224 Million	Personal Care/Home Health—Fee-for-Service
76,400	\$2.8 Billion	<b>TOTAL LONG TERM CARE SUPPORTS AND SERVICES</b>

[www.dhs.wisconsin.gov/lcreform](http://www.dhs.wisconsin.gov/lcreform) webpage updated January 24, 2012

Family Care (FC) is a “managed care” business approach to long term care services for functionally and financially (Medicaid) eligible adults with disabilities. These adults referred to as “target groups” include persons with developmental disabilities (DD), persons with physical disabilities (PD) and elderly with chronic care conditions (FE). Family Care focuses on the member actively managing their lives with service, health and administrative support as needed (members “strength based”).

Managed long-term care, pioneered in Wisconsin by Family Care and the Wisconsin Partnership Program, is an innovative way of delivering long-term care services. These programs were designed with the input of consumers, advocates, providers, state and local officials, and others in order to address concerns about the cost and complexity of the multiple long-term care programs and services available, inequities in availability of community and institutional services, and projections for an aging population’s growing demand for long-term care. Managed long-term care is intended to provide cost-effective, comprehensive and flexible long-term care that fos-

ters consumers' independence and quality of life while recognizing the need for interdependence and support, with the specific goals of:

- Giving more people choices about where they live and what kinds of services and supports they receive to meet their long-term care needs;
- Improving access to long-term care services;
- Improving quality through a focus on health and social outcomes;
- and Creating a cost-effective long-term care system for the future.

Family Care replaces long term care programs called "Legacy Waivers" that were implemented in the counties in the early 1980s including the Community Options Program (PD and FE) and Community Integration Programs (DD). In the 1990s, concerns were raised on access, complexity and the institutional bias of the Legacy Waivers. Extensive stakeholder process resulted in five Family Care pilots beginning in 2000. An independent evaluation in 2005 found that Family Care worked well and saved money. Wisconsin set a goal of expanding Family Care to the entire state beginning with rapid expansion in 2007 to 57 counties by April 2011.

In Legacy Waivers, Counties receive a budget for each participant based on an individual's assessed limitations which is "deficit based" and manage costs by individual. Aggregate costs are managed by limiting the number of eligible people served; eligible individuals that cannot be served are placed on "waiting lists". Counties can use their tax levy to augment state funding to provide services to more eligible individuals. Counties are required to use the DHS Allowable Cost Manual in developing provider contracts while MCOs are not required to use the Manual, which gives the MCOs greater flexibility in developing and negotiating rates.

In Family Care, the State Department of Health Services (DHS) contracts with Family Care Managed Care Organizations (MCOs) to administer the Family Care (FC) benefits. DHS pays MCOs a monthly risk adjusted capitation rate for the entire membership. The

capitation rate is based on the Long Term Care Functional Screen individual assessments initially completed at the ADRCs (to determine eligibility) and assessed by the MCOs on a periodic basis after that. Member centered service support plans are collaboratively developed by the member and MCO support team based on the member's strengths. MCOs are responsible for managing aggregate costs and accepting all eligible members. FC is funded roughly 60% by the Federal government and 40% by the state.

County waiting lists are eliminated in three years after Family Care and IRIS replace the Legacy Waivers. This is referred to as a county reaching "full entitlement" which means that all residents that become eligible can access Family Care or IRIS and are not placed on a waiting list. The following is a summary of the number of counties that have or will reach full entitlement:

July 1, 2011	17 Counties
July 1, 2012	38 Counties
July 1, 2013	53 Counties
July 1, 2014	57 Counties

Since there are 15 counties that do not have Family Care, there is the potential that people will move to a county that has Family Care and IRIS to access long term care services. For example, Dane and Rock Counties are surrounded by counties with Family Care and IRIS.

MCOs achieve targeted cost efficiencies through using market forces to achieve competitive provider pricing, alignment of services to support member's interests ("outcomes" in FC parlance), achieve economies of scale and lower administrative costs. DHS has used the costs results of the five original pilots, plus two additional counties as the expected cost targets for all counties to achieve within 3-5 years.

The MCOs have found that Family Care members who were previously Legacy Waiver participants are higher cost than Family Care members who previously did not receive these Legacy Waiver services. Some former Legacy Waiver participants are individuals that were relocated from state institutions and are high cost.



Additionally, MCOs have found that some families and guardians are reluctant to support any changes in services that would result in their adult children/wards being in less restricted and in more integrated settings. The MCOs have found the Family Care model is more easily applied and embraced by non Legacy Waiver members.

Family Care is a change in business model for consumers, families, guardians, providers, counties and the State. The rapid expansion generated significant concerns with some advocates and providers prompting a legislative audit completed in April 2011. The audit found that Family Care was doing what it was expected to do; but the audit scope did not address FC cost effectiveness.

In November 2011, DHS concluded that Family Care was more cost effective than Legacy Waivers and IRIS which competes with Family Care. The following table compares the programs on a per member per month basis:

PER MEMBER PER MONTH	Family Care	Legacy Waiver	IRIS
Long Term Care Costs	\$2,905.55	3,315.19	\$3,589.88
Fee for Service Medical Medicaid Costs	282.28	445.35	569.42
<b>TOTAL PER MEMBER PER MONTH (PMPM)</b>	<b>\$3,187.83</b>	<b>\$3,760.54</b>	<b>\$4,159.30</b>

[www.dhs.wisconsin.gov/lcreform](http://www.dhs.wisconsin.gov/lcreform) webpage updated January 24, 2012

NEW FC split out the Long Term Care and Fee for Service Medical Medicaid costs to make the program costs comparable. However, Family Care includes \$233.34 per member per month (PMPM) in institutional (nursing home) costs that Legacy Waiver and IRIS do not have, so the Family Care costs need to be further reduced by this amount for an overall comparison.

Family Care long term care costs by type of service based on the 2011 Legislative Audit of Family Care were as follow:

Residential Services	50.2%
Supportive Home Care	17.1%
Institutional (Nursing Home and Other)	10.1%
Day Center Services	4.6%
Home Health Care	3.9%
Employment Services	3.8%
Specialized Transportation	2.9%
Medical Supplies and Equipment	2.4%
Adult Day Care	1.6%
Other	<u>3.4%</u>
<b>Total</b>	<b>100.0%</b>

DHS contracts with nine MCOs. These entities include: six governmental, two private non-profit, and one for profit. Five of the six governmental entities are Family Care Districts (Public) established by member counties; with Milwaukee County being the sixth governmental entity. Five of the governmental entities started with a FC pilot. The two non-profit entities and the one for profit entity existed prior to FC offering other managed care programs. One governmental entity started from scratch. NEW FC is also a Family Care District.

Family Care District Boards must be at least 25% consumer oriented. The District is a completely separate and distinct legal entity from the counties that established it. The District bears the entire financial risk and the counties are shielded from any risk. The District does not have the ability to levy any tax.

When Family Care expands into a new county, DHS issues a Request for Procurement. Counties have to approve Family Care coming to their county. Counties that establish a Family Care District have also indicated their interest in having that District be the MCO for their region (it is unclear whether a county can limit the number of MCOs that respond to a Request for Procurement). Once Family Care is in a county, the State is required to "reprocure" at least every five years which opens up the area for new MCOs. Currently, DHSs interpretation of the Family Care statute restricts public MCOs from expanding to new areas unless the counties in the new areas agree. This same restriction does not apply to non-profit or for profit organizations.

The most recent expansion of Family Care was to Langlade and Lincoln Counties in 2011. The following was the timeline for the expansion:

DHS issued RFP# 1694-DLTS-SM for Expansion	March 10, 2010
RFP responses were due	May 7, 2010
Intent to contract awarded to MCO	June 15, 2010
Completion of MCO Certification	December 15, 2010
Family Care began in Langlade County	January 1, 2011
Family Care began in Lincoln County	April 1, 2011

When a county goes into Family Care, the State reduces its annual county "Base Allocation" (established in 2006 based on what a county spent for long term care services with money from the State) for five years. This is known as the "County Contribution". Beginning in the fifth year, the State pays the counties 22% of the Base Allocation, or less if they had spent less than that in 2006 for long term care.

The Legislature established Aging and Disability Resource Centers (ADRCs) and Family Care in the same legislation. ADRCs are separate and distinct from MCOs. ADRCs are to serve all residents in their region to provide information on available services to maintain independence, provide counseling on program options and determine public funding eligibility. DHS is placing additional responsibility on the ADRCs to clearly manage people's expectations that public funding is to be used as the last resort and to assist individuals to continue to live in the community as long as possible. Staff members for new ADRCs often are former care managers in the Legacy Waiver programs at the counties.

There are five long term options that eligible individuals can choose from which include:

- **Family Care (FC)**—Long Term Care benefits and certain Medicaid Card covered service benefits; medical services are covered by Medicaid Card and Medicare, if eligible.
- **Family Care Partnership (FCP)** (*available in limited counties*)—Long Term Care benefits and all Medicaid medical benefits and

Medicare medical benefits, if eligible. In addition to the DHS contract which covers long term care services and certain medical services, FCP plans have an additional contract with Centers for Medicare and Medicaid (CMS) that also covers the Medicare medical services. The CMS and DHS requirements are not always aligned.

- **PACE** (*Milwaukee County only*)—Long Term Care benefits and all Medicaid and Medicare medical benefits. This also requires a contract with CMS.
- **IRIS—I Respect I Self Direct**—Long Term Care benefits; all medical costs covered by Medicaid Card and Medicare if eligible. Individuals receive a budget based on their Functional Screen Assessment and they are responsible for managing their care within their budget. They arrange and contract for all services. They receive assistance from an IRIS Consultant and a Fiscal Agent provides financial reporting.
- **Medicaid Card** for eligible long term care services (*excludes residential services*); medical services covered by Medicaid Card and Medicare, if eligible.

DHS has a contract called a “Family Care Waiver” with the federal government’s Center for Medicare and Medicaid (CMS) that allows Wisconsin to use federal money for home and community services rather than just for nursing home services. In its current CMS approved waiver, DHS anticipates Family Care expansion to the remaining counties to begin as soon as possible in the next biennium beginning July 1, 2013. The Legislative Joint Finance Committee needs to approve any expansion.

CMS and DHS philosophies and directions have evolved as the beliefs about individuals with disabilities have evolved as incorporated into legislation and court cases. There are two basic beliefs that are in conflict that sometimes generate dynamics and tension throughout long term care programs development, administration, advocacy and operations.

These two beliefs are:

**Belief # 1:** The world treats people who are different negatively. Therefore, we need to develop specialized and separate developmental programs and interventions. People with disabilities are vulnerable in the community and need separate and special environments to live and work safely. People with disabilities do not fit in the main-stream of society.

**Belief #2:** The world is a more positive place when it embraces principles of diversity and inclusion. Therefore, people need to be supported in person centered ways that promote community membership and being. People with disabilities can live in the community with support. Natural friendships and families are what keeps people safe from abuse and promote personal growth. All people have human rights and are part of the community based on human needs.

The American Disabilities Act passed over twenty years ago and the Olmstead Decision are two of the many actions that are aligned with the second belief. The principle coming out of the Olmstead Decision was that individuals receiving public supports are to be provided for in the most integrated and least restrictive setting that can reasonably accommodate taking into account the resources of the state and the needs of others with disabilities.

DHS has developed a number of Long Term Care Sustainability Initiatives after receiving input on them from providers, consumers, trade associations, MCOs and others. These initiatives are in seven different areas:

- 1) Residential Services;
- 2) Employment Supports;
- 3) Family Care Administrative and Program Efficiencies;
- 4) Youth in Transition;
- 5) Living Well at Home and in the Community;
- 6) IRIS and Self-Directed Supports; and
- 7) Family Care Benefits.

The initiatives are aimed at strengthening the State's long term care programs.

Oversight of MCOs is by the Department of Health Services and the Office of Commissioner of Insurance (OCI). DHS oversees MCO adherence to its contract and fiscal performance and OCI oversees financial solvency. CMS also provides oversight for the FCP and PACE plans.

The mix of the three target groups varies by MCO. The mix ranges for the five public District Model MCOs per the June 1, 2012 enrollment report are as follow:

DD	33-42%	PD	16-25%	FE	40-44%
----	--------	----	--------	----	--------

Cost varies by target group with the DD being the most expensive. The mix ranges of costs for the five public District Model MCOs using the June 1, 2012 enrollment reports and the 2009-10 costs per target group per the April 2011 Legislative Audit Report on Family Care are as follows:

DD	42-52%	PD	14-19%	FE	33-37%
----	--------	----	--------	----	--------

Milwaukee County is comprised of 77% Frail Elderly members primarily due to its pilot being limited to this population and it has been adding the other target populations. The two MCOs that have both FC and FCP have a higher percentage of DD in their FC plans and higher percentage of FE in their FCP plans.

Generally each MCO has a small number of members with complex needs that are high cost—significantly exceeding the average capitation per member. Some of these individuals have conditions that present a high safety concern to themselves and/or to the community requiring significant resources. Additionally, each MCO has members that were relocated from state institutions to the community which saved the state money; but whose costs exceed the average capitation per member.

In addition to long term care costs, medical costs are also incurred which are covered by Medicaid and Medicare if the individuals are Medicare eligible. Approximately, 80% of the Family Care members are also eligible for Medicare and the term "dual eligible" is used to describe this situation. For Dual Eligible's, Medicare is the primary payer and Medicaid is the secondary payer i.e. Medicaid covers what Medicare does not cover. So, Wisconsin benefits when a person is dual eligible since Medicare will cover most of the medical costs. Medicare covers hospital (Part A), physician and outpatient (Part B) and drugs (Part D.) DHS has begun receiving Medicare cost information but we do not have that information. However, DHS did provide Medicaid cost information for CY2010 to the Wisconsin Long Term Care Council in November 2011 which we include in the following table after we have made the program costs comparable. The costs are per member per month (PMPM.) In all programs, persons with physical disabilities have higher Medicaid medical costs.

Medicaid Medical Costs CY 2010 (DHS)	Persons with Developmental Disabilities (DD) PMPM	Persons with Physical Disabilities (PD) PMPM	Elderly with Chronic Care Conditions (FE) PMPM
Family Care	\$244.36	\$458.36	\$124.62
IRIS	\$551.78	\$724.79	\$324.45
Legacy Waivers	\$305.69	\$885.71	\$355.63

The State has a major emphasis on relocating nursing home residents to the community in an effort to reduce costs. Nursing residents can enroll in Family Care but not IRIS. MCOs generally have a financial incentive to encourage members living in nursing homes to move into the community since the MCOs are required to pay the state determined nursing home rates, which are higher than the capitation paid to the MCO for that member. However, once a person moves to a nursing home, the person likely has disposed of

their homes and furniture; making it necessary for an MCO to reequip the member to be able to live in the community.

The 2011 Legislative Audit on Family Care noted the significant growth in cost of Family Care, but did not note that the costs for the Legacy Waiver programs that Family Care replaced had significantly decreased. Most Legislators were not aware of this.

The Legislative Fiscal Bureau has said that the State saves money in Family Care expansion in the early years of expansion although it has not included any medical cost savings in its analyses which would further increase savings. Northeast Wisconsin Family Care projects that expansion to their region will save money over a five year horizon. Their model incorporates long term care cost savings, limited medical cost savings, attrition, County Contributions and higher number of waiting list individuals that likely will occur.

Historically, there has been a lack of information on the costs of the long term care programs including the shift in costs between programs due to relocations; Family Care replacing the Legacy Waiver programs; the impact of IRIS; and the impact on Medicaid and Medicare medical costs.

However, on August 30, 2012, DHS shared information with the Legislative Audit Committee on long term care costs. Long term care costs share of Medicaid spending has declined over the last decade. Per member per month costs for all Family Care members has dropped by 3% from 2010 to 2012. For the two complete DHS reports see:

<http://www.dhs.wisconsin.gov/lcicare/Reports/PDF/rpttolab083112.pdf> and  
<http://www.dhs.wisconsin.gov/lcicare/Reports/PDF/reporttolab083112-attach.pdf>

Administrative costs for Family Care were 4.2% as reported by the Department of Health Services as posted on the web site for three months ending March 31, 2102, which is the most recent reported data. See [www.dhs.wisconsin.gov/lcicare/ProgramOps/fiscal/pdf/2012q1fc.pdf](http://www.dhs.wisconsin.gov/lcicare/ProgramOps/fiscal/pdf/2012q1fc.pdf)



MCOs pay providers DHS established Medicaid rates or negotiated rates if there are not established Medicaid rates for a service. DHS establishes rates for nursing homes so MCOs are required to pay those established rates. Some services that do not have DHS established rates include residential services such as adult family homes, Community Based Residential Facilities (CBRFs), and assisted living facilities. Some organizations may have nursing homes, CBRFs and assisted living facilities. The MCOs would pay those organizations the DHS established rates for nursing home services and negotiated rates for the CBRF and assisted living facilities.

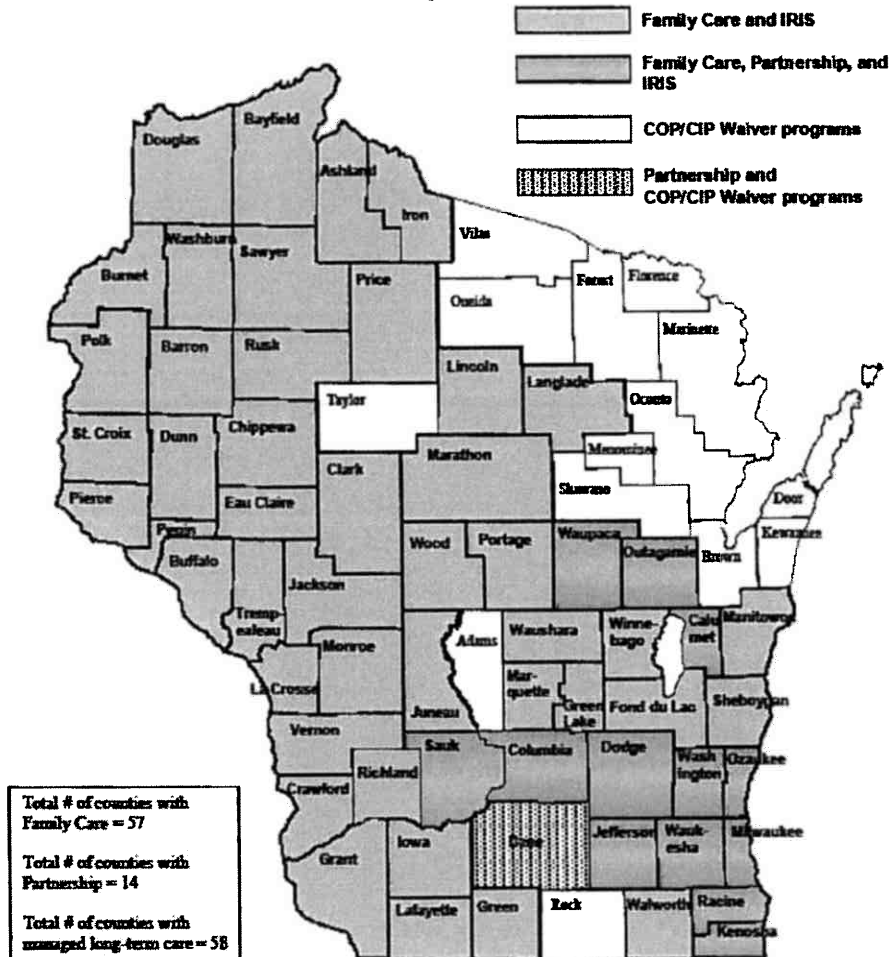
The Department of Health Services currently contracts with The Management Group (TMG) to administer the IRIS program and to provide training and administrative services for its Legacy Waiver Programs. Additionally, DHS contracts with TMG for administrative staffing.

**Enrollment by MCO**—this can be found on the DHS web page at: [www.dhs.wisconsin.gov/lcware/Generalinfo/enrollmentdata.pdf](http://www.dhs.wisconsin.gov/lcware/Generalinfo/enrollmentdata.pdf).

**Financials by MCO**—DHS summarizes financial reports quarterly and prepares a financial highlights report. This quarterly report can be found on the DHS web page at [www.dhs.wisconsin.gov/lcware/ProgramOps/fiscal/pdf/2012q1fc.pdf](http://www.dhs.wisconsin.gov/lcware/ProgramOps/fiscal/pdf/2012q1fc.pdf).

## Family Care and Partnership Program Service Areas

January 1, 2013



[www.dhs.wisconsin.gov/lc/lcare/Generalinfo/Where.htm#map](http://www.dhs.wisconsin.gov/lc/lcare/Generalinfo/Where.htm#map)

**April 2012**



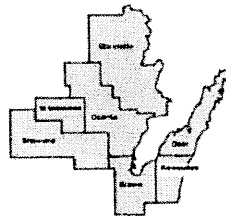
[www.dhs.wisconsin.gov/lcicare/Generalinfo/mcomap.pdf](http://www.dhs.wisconsin.gov/lcicare/Generalinfo/mcomap.pdf)

## **Northeast Wisconsin Family Care**

2701 Larsen Road

Green Bay, WI 54303

[www.northeastwisconsinfamilycare.com](http://www.northeastwisconsinfamilycare.com)



### **Rolf K. Hanson**

Chief Executive Officer

920 857-9854

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### **Debbie Peterson**

Executive Assistant

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# Northeast Wisconsin Family Care

## Legislative Briefing

February 9, 2012

### Briefing Overview

- DHS Comparison of Family Care, IRIS and Legacy Waivers
- Return on Investment from State Perspective
  - County Contributions
  - Absorption analysis
  - Medical cost savings
  - Efficiencies achieved
- NEW FC Capital Requirements for Development and Start Up

## **DHS Comparison of Family Care, IRIS and Legacy Waivers**

- Shared on November 1, 2011 at Wisconsin Long Term Care Council—  
Public Meeting
- DHS Comparison by DHS' contracted actuarial firm
- Compared long term care costs and Medicaid Fee for Service Costs  
("Medicaid Card" costs)
- Calendar Year 2010
- DHS determined Family Care to be lowest cost
- Consistent with NEW FC analysis completed earlier this year

## **Family Care Expansion**

- Pause on expansion into remaining 15 counties unless Secretary of Health Services determines expansion would be cost effective
- Representative Nygren received clarification from the Department of Administration that "cost effective" means that Family Care would be lower cost than current waiver costs
- DHS now has indicated that Family Care is cost effective
- Governor Walker wants to move ahead with Family Care
- Green Bay Press Gazette Editorial on Lifting FC Caps

## Comparison by DHS

### Per Member Per Month Costs (PMPM)

	Family Care	Legacy Waiver	IRIS
Long Term Care	\$2,905.55	\$3,315.19	\$3,589.88
Fee for Service Medical Medicaid	<u>282.28</u>	<u>445.35</u>	<u>569.42</u>
	\$3,187.83	\$3,760.54	\$4,159.30

Home care costs were moved from Fee for Service to Long Term Care for Legacy Waiver and IRIS to make programs comparable except for institutional costs (nursing home). This calculation was made by Rolf Hanson, CEO of Northeast Wisconsin Family Care.

Family Care includes \$233.34 in institutional (nursing home) costs that Legacy Waiver and IRIS do not have. The calculation of the number was also made by Rolf Hanson.

## NEW FC Projected Annual Savings Using DHS Data

- Long Term Care Costs \$10.8 Million
- Medicaid Medical Fee for Service \$ 4.3 Million
- Total \$15.1 Million
- Plus Medicare Medical Savings
- Long Term Care Savings greater if exclude institutional (nursing home) costs—another \$6.1 million
- Higher savings using DHS statewide numbers than NEW FC historical numbers for 2009 (\$7.3 million for long term care)

## State FC Annual Savings Using DHS Data

- Long Term Care Costs \$137.5 million
- Medical Medicaid Fee for Service \$ 54.8 million
- Total \$192.3 million
- Plus Medicare Medical Savings
- If exclude institutional costs in Family Care, then long term care savings are greater

## ROI Variables

- County Contribution
- Family Care attrition rate
- Efficiencies achieved
- Cost of members from wait list
- Medicaid "Card" medical cost savings (State only)
- Medicare medical cost savings (not included in State analysis)
- Relocations from nursing homes and state institutions (do not have data)
- Number of wait list individuals



## County Contributions

- Counties make contributions as a result of decreases in allocations from the state
- Based on CY2006 year end reconciliation between State and County for waiver programs
- LTC Fiscal Update Memo # 4  
[http://www.dhs.wisconsin.gov/dsl\\_info/InfoMemos/DDES/CY2007/InfoMemo200714.htm](http://www.dhs.wisconsin.gov/dsl_info/InfoMemos/DDES/CY2007/InfoMemo200714.htm)

## County Contributions<sup>1</sup>

County	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Brown	\$4,532,084	\$3,917,809	\$3,303,535	\$2,689,260	\$2,074,985	\$16,517,673
Door	466,825	412,773	358,721	304,670	250,618	1,793,607
Kewaunee	450,225	386,156	322,087	258,019	193,950	1,610,437
Marinette	266,268	265,268	265,268	265,268	265,268	1,327,340
Menominee	0	0	0	0	0	0
Oconto	1,630,558	1,297,842	965,126	632,410	299,694	4,825,630
Shawano	638,774	569,301	499,829	430,356	360,883	2,499,143
TOTAL	\$7,984,734	\$6,849,149	\$5,714,566	\$4,579,983	\$3,445,398	\$28,573,830

<sup>1</sup> These amounts are from the LTC Fiscal Memo Update No. 4 Dated November 14, 2007 from DHS, Attachment C, Annual County Contribution. These amounts are the reductions that will be made in the annual Basic Allocations by the State of Wisconsin DHS to each county once that county begins Family Care.

## Attrition Rate

- Annual rate at which people leave long term care programs—Family Care or Legacy Waivers
- Brown County—Annual attrition rate of 8.9%
- Western Wisconsin Cares (Family Care) 20%
- Assuming 8 % attrition rate in ROI model

## Efficiencies

- Savings expected to be achieved from standardizing provider rates across region, aligning services to support member outcomes, administrative efficiencies
- DHS bases expectation on performance achieved by Family Care pilots

## Medicaid Card Savings

- DHS costs for Family Care as calculated in their comparison of programs as shown on previous slide. The DHS costs were developed by the actuarial firm that DHS uses. As noted on a previous slide, the home care costs were moved from Medicaid Card costs to Long Term Care costs to allow for a comparison of medical costs for Family Care, Legacy Waivers and IRIS.
- Savings of \$163.07 per month or almost \$2,000 per year.
- Only 40% of the difference in Medicaid Medical costs were used in the ROI summary analysis to be conservative.

## Wait List Costs and Numbers

- Family Care MCO experience is that the cost of new members coming off the wait list is lower than the cost of members who had been receiving services in the Legacy Waiver programs
- Wait lists are reduced over a 36 month period once Family Care begins in a county. Most MCOs have found the wait lists are eliminated in less than 36 months
- NEW FC has about 1,200 people on wait lists. Some counties have placed people on the list who are not currently financially eligible but are expected to be when the list reaches them. So, the total number of individuals that are functional and eligible is less than 1,200.

## ROI Five Year Summary

(Millions)

• County Contributions	\$28.6
• Medicaid Card Savings (40% of total)	\$11.3
• NEW FC Development Cost	(\$2.1)
• Cost for Wait list that cannot be absorbed	(\$14.6)
• Working Capital	(\$3.3)
• Restricted Reserve Funding (Minimal)	(\$2.1)
• Solvency Fund	(\$ .8)
• Net Savings	\$17.0
• State GPR Impact (40%)(Federal 60% of funding)	\$ 6.8

## Five Year Cash Flow ROI

Return on Investment Analysis (State Perspective)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<b>Cash In Flows</b>							
County Contributions		\$7,984,734	\$6,849,149	\$5,714,566	\$4,579,983	\$3,445,398	\$28,573,830
40% of Savings of Medicaid Card Fee For Services		2,082,106	2,207,345	2,332,585	2,332,585	2,332,585	11,287,206
<b>TOTAL Cash In Flows</b>		<b>\$10,066,840</b>	<b>\$9,056,494</b>	<b>\$8,047,151</b>	<b>\$6,912,568</b>	<b>\$5,777,983</b>	<b>\$39,861,036</b>
<b>Cash Out Flows</b>							
Development Ramp Up Grant	\$2,100,000						\$2,100,000
Additional Cost required for Wait List Enrollment that cannot be absorbed through attrition and efficiencies (excluding administration costs)		\$1,384,770	\$3,135,180	\$5,251,230	\$3,243,714	\$1,528,710	\$14,543,604
Working Capital for NEW FC		976,752	698,328	746,766	984,294	(80,460)	3,325,680
Restricted Reserves for NEW FC (minimal)		625,584	432,776	448,922	628,098	(26,820)	2,108,560
Solvency Fund NEW FC (statutory amount)		250,000	250,000	250,000	0	0	750,000
<b>TOTAL Cash Outflows</b>	<b>\$2,100,000</b>	<b>\$3,237,106</b>	<b>\$4,516,284</b>	<b>\$6,696,918</b>	<b>\$4,856,106</b>	<b>\$1,421,430</b>	<b>\$22,827,844</b>
<b>NET CASH IN FLOWS (OUTFLOWS)</b>	<b>(\$2,100,000)</b>	<b>\$6,829,734</b>	<b>\$4,540,210</b>	<b>\$1,350,233</b>	<b>\$2,056,462</b>	<b>\$4,356,553</b>	<b>\$17,033,192</b>

Analysis done by Rolf Hanson, CEO of Northeast Wisconsin Family Care (NEW FC). The 2009 PMPM for Legacy Waiver costs were developed by a firm using actuarial procedures in analyzing DHS provided data. The calculation of Medical Cost savings were based on PMPM costs developed by the DHS actuarial firm that they use.

## Development Timeline/Decisions

- 12 month period desired from receiving DHS direction to move ahead—likely could be less than 12 months
- Once direction to go ahead, then need to get Development Team in place including leads for human resources, operations, provider network development and finance
- DHS procurement process (RFP) would be initiated which would likely include all remaining counties including “white counties”—NEW FC will need to respond to DHS RFP

## NEW FC Development Cost

• Development Phase	Months 1-6	\$538,000
• Development Phase	Months 7-10	\$650,000
• Pre Start up Phase	Months 11-12	<u>\$956,000</u>
• Total Development Cost	Months 12	\$2,144,000

Care management staff would start work two months before enrollment. The Pre Start up Phase includes care management costs for 400 members starting on Month 13 and 400 additional members starting Month 14.

# Questions and Dialogue



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2320

TJD:.....

RMR JLD

In: 7/8/13 soon

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

LPS - check  
auto ref  
please

Gen

- 1 AN ACT ...; relating to: requiring the Family Care benefit and self-directed  
2 services option to be provided in certain northeastern Wisconsin counties.

***Analysis by the Legislative Reference Bureau***

Under current law, in certain counties, Family Care and the self-directed services option known as IRIS, among other programs, provide community-based, long-term care services to individuals who meet certain functional and financial criteria and who are either frail elders or adults with physical or developmental disabilities. In each geographic area in which the Family Care benefit is available the Department of Health Services (DHS) contracts with an aging and disability resource center to provide information and determine eligibility for Family Care and a care management organization (CMO) to administer the Family Care benefit. DHS may contract with a county, a long-term care district, a governing body of a tribe or band or the Great Lakes Inter-Tribal Council, a joint association of those entities, or a private organization to be a CMO. Under current law, if DHS proposes to contract with an entity to administer the Family Care benefit in geographic areas in which, in the aggregate, resides more than 29 percent of the state population that is eligible for the Family Care benefit, DHS must first submit the proposed contract to the Joint Committee on Finance (JCF). DHS may enter into the proposed contract only if JCF approves.

This bill requires DHS to do all of the following for residents of Brown, Door, Kewaunee, Marinette, Menominee, Oconto, and Shawano counties: contract with a resource center such that its services are available to residents before July 1, 2014; contract with a CMO to administer the Family Care benefit such that the benefit is

available to residents on July 1, 2014; and provide services under IRIS such that services are available to residents on July 1, 2014. Under the bill, DHS is not required to obtain approval from JCF to enter these contracts or provide these services to residents of those seven counties.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

\*\*\*\*NOTE: Did you want to make any changes to the appropriations that fund Family Care or the COP and CIP waiver programs in this draft?

**SECTION 1. Nonstatutory provisions.**

(1) FAMILY CARE EXPANSION TO NORTHEASTERN COUNTIES.

(a) The department of health services shall do all of the following for residents of the counties of Brown, Door, Kewaunee, Marinette, Menominee, Oconto, and Shawano:

1. Contract with an entity to provide the services under section 46.283 of the statutes as a resource center such that services of a resource center are available to residents before July 1, 2014.

2. Contract with an entity as provided under section 46.284 (2) of the statutes to administer the Family Care benefit as a care management organization such that the family care benefit is available to residents on July 1, 2014.

3. Provide services under the self-directed services option, known as IRIS, that is operated under a waiver from the secretary of the federal department of health and human services under 42 USC 1396n (c) such that the services are available to residents on July 1, 2014.



*Change to  
text as far*  
2  
(3)  
4

(b) Notwithstanding section 46.281 (1g) (b) of the statutes, the department of health services is not required to obtain approval from the joint committee on finance to enter contracts or provide services as described in paragraph (a).<sup>e</sup>

(END)

↑  
a.s. created

**Dodge, Tamara**

---

**From:** Rep.Bies  
**Sent:** Monday, July 29, 2013 12:12 PM  
**To:** Dodge, Tamara  
**Subject:** FW: Draft review: LRB -2320/P1 Topic: Expand Family Care to certain northeastern Wisconsin counties  
**Attachments:** 13-2320/P1.pdf

Tamara,

Thank you for drafting this for us. We would like to make a change to the date in the draft. We'll defer to you on the best way to word it, but we'd like it say something to the effect of... expansion would start no later than July 1, 2015, with the FC benefit being available to residents of all the seven counties by June 30, 2016.

They don't think all 7 counties can be fully operational by July 1<sup>st</sup> so they'd like to phase it in over that next year.

Thanks,  
Cory  
Bies Office

---

**From:** LRB.Legal  
**Sent:** Monday, July 15, 2013 9:36 AM  
**To:** Rep.Bies  
**Subject:** Draft review: LRB -2320/P1 Topic: Expand Family Care to certain northeastern Wisconsin counties

**Following is the PDF version of draft LRB -2320/P1.**

**Dodge, Tamara**

---

**From:** Rep.Bies  
**Sent:** Thursday, August 01, 2013 2:48 PM  
**To:** Dodge, Tamara  
**Subject:** FW: Draft review: LRB -2320/P1 Topic: Expand Family Care to certain northeastern Wisconsin counties  
**Attachments:** DOC (3) Kitty Rhoades to NEW FC.pdf

Tamara,

Please see the response from the folks we're working with on this bill below...

---

**From:** Rolf Hanson [<mailto:rolf.hanson@new.rr.com>]  
**Sent:** Thursday, August 01, 2013 2:37 PM  
**To:** Rep.Bies; [pch@phillipsborowski.com](mailto:pch@phillipsborowski.com); [atp@phillipsborowski.com](mailto:atp@phillipsborowski.com)  
**Cc:** 'Debbie Peterson'; 'Rolf Hanson'  
**Subject:** RE: Draft review: LRB -2320/P1 Topic: Expand Family Care to certain northeastern Wisconsin counties

Cory,

We want to begin operations no later than July 1, 2015, meaning that FC would be available in at least one county when operations begin. We would expect to roll in the counties over a 12 month period meaning that FC (and IRIS) would become available in each county in an order agreed upon by DHS, the District and the Counties. At the end of the 12 month period, FC and IRIS would be available in all of the seven counties.

In past expansions, counties rolled into Family care over several months. For example, the last expansion occurred in Lincoln and Langlade Counties in 2011. I think Langlade started on January 1<sup>st</sup> and Lincoln started on April 1<sup>st</sup>.

The process of expansion starts when DHS decides to expand. I am attaching the letter from then Deputy Secretary Rhoades from a year ago in which she lays out the process.

Actions (as I understand Sec. Rhoades letter) required of DHS to have FC being available in at least one of the seven counties no later than July 1, 2015, would include:

1. Issuing the RFP for extending Family Care to the seven counties
2. Selecting a Managed Care Organization (s)
3. Issuing a letter to offer a contract to an MCO (s)
4. The MCO obtaining certification
5. DHS issuing a contract to an MCO (s) and completing the contract

I hope this helps.

Thanks.

Rolf

---

**From:** Rep.Bies [<mailto:Rep.Bies@legis.wisconsin.gov>]  
**Sent:** Thursday, August 01, 2013 2:00 PM  
**To:** [rolf.hanson@new.rr.com](mailto:rolf.hanson@new.rr.com); [pch@phillipsborowski.com](mailto:pch@phillipsborowski.com); [atp@phillipsborowski.com](mailto:atp@phillipsborowski.com)  
**Subject:** FW: Draft review: LRB -2320/P1 Topic: Expand Family Care to certain northeastern Wisconsin counties

Hi All,

Please see drafters questions below...

---

**From:** Dodge, Tamara  
**Sent:** Thursday, August 01, 2013 1:25 PM  
**To:** Rep.Bies  
**Subject:** RE: Draft review: LRB -2320/P1 Topic: Expand Family Care to certain northeastern Wisconsin counties

Hi Cory,

I had a question about this redraft. Do you have an idea what you would like in progress by July 1, 2015? Do you want FC available in at least one of the seven counties? Or do you want DHS to begin the process of expansion on or before that date? Any specific activity that you want DHS to complete before July 1, 2015 would be helpful to add.

Thanks,  
Tami

**Tamara J. Dodge**  
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Wisconsin Legislative Reference Bureau  
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Madison, WI 53701-2037  
(608) 267 - 7380  
[tamara.dodge@legis.wisconsin.gov](mailto:tamara.dodge@legis.wisconsin.gov)

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Thanks,  
Cory  
Bies Office

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**From:** LRB.Legal  
**Sent:** Monday, July 15, 2013 9:36 AM  
**To:** Rep.Bies  
**Subject:** Draft review: LRB -2320/P1 Topic: Expand Family Care to certain northeastern Wisconsin counties

**Following is the PDF version of draft LRB -2320/P1.**



State of Wisconsin  
Department of Health Services

---

Scott Walker, Governor  
Dennis G. Smith, Secretary

August 23, 2012

Mr. Rolf Hanson, CEO  
Northeast Wisconsin Family Care  
2701 Larson Road  
Green Bay, WI 54303

Dear Mr. Hanson:

Thank you for your letter requesting information on the process needed to expand the Family Care Program to additional areas of Wisconsin. This letter summarizes the decisions that are needed prior to expansion, activities that must be completed prior to expansion, and approximate timeframes for completion of these activities.

The first step of the process is a decision by the Secretary of the Department of Health Services (DHS), in consultation with the Governor's Office, to explore service area expansion. DHS staff will then analyze the fiscal implications of expansion, including a determination of which counties would be targeted for expansion and tentative effective dates for each. DHS would then use this analysis to help determine whether expansion should be pursued, whether additional funding is needed to pursue the expansion, and whether to request funding through the state biennial budget process.

Once approval for expansion is provided either by the DHS Secretary and once the Legislature appropriates funding, as needed, through the biennial budget, the DHS must develop and release a request for Proposal (RFP). While the Department has previous Family Care RFPs to consider as models, development and vetting of an RFP for new service areas is typically a 3-4 month process. Once issued, potential bidders must have sufficient time to submit a proposal.

DHS then needs to receive and evaluate proposals and select one or more entities to potentially receive contracts to operate Family Care and/or Family Care Partnership in one or more counties. This is likely a six to eight week process. As you know, as a long-term care district Northeast Wisconsin Family Care would have apply to operate the program in all the counties that are part of your district, assuming those counties are all included in expansion.

Once DHS makes its procurement decisions, it would then need to pursue three sets of activities more or less simultaneously. First, it would need to begin work on certification of one or more Managed Care Organizations (MCOs) selected for expansion counties and to work with the selected entities, with county human service agencies and ADRCs on transition planning for waiver participants and wait list members from legacy waivers to Family Care, Partnership, or IRIS. As this is likely to include at least one MCO new to Family Care and involve the up-front work of transition planning and development of provider networks in new areas, we need allow approximately six months to assure that the selected MCOs are ready to

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• [dhs.wisconsin.gov](http://dhs.wisconsin.gov)

*Protecting and promoting the health and safety of the people of Wisconsin*

Mr. Rolf Hanson  
August 23, 2012  
Page 2

effectively operate a complex program that serves some of the most vulnerable adults in the state.

Second the Department would need to submit the proposed contract(s) plus other documentation required under s. 46.281(1g), Stats., to the Joint Committee on Finance (JCF). As you know, Act 127 changed the process from 14-day passive approval by the committee to requiring a meeting and affirmative vote by the Committee of all expansion contracts. This makes it important to get all required material to the Committee as early in the process as possible in case there are any issues or concerns that need to be resolved prior to approval.

Third, we need to work with the CMS Regional Office (RO) to determine what needs to be submitted as waiver amendments or otherwise to update the federal authorities under which we operate these long-term care programs, and then to submit necessary changes. These potentially include the 1915 (c) waivers for Family Care and IRIS, the 1915 (b) waiver for Family Care, the 1932 (a) state plan amendment for Partnership and the Medicare authority for Partnership plans to operate as Medicare Advantage Special Needs Plans (SNPs). We would also likely have to submit amendments under the 1915(c) legacy waivers to reflect their further phasedown of enrollment. Any changes required in federal authorities should preferably be approved by CMS prior to implementation.

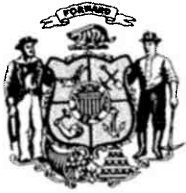
Finally, DHS would need to submit proposed contracts and capitation rates to the CMS RO and secure its approval prior to the implementation dates selected for each expansion county.

The above is a general outline of what is entailed in service area expansion. While certain activities can occur concurrently and some may be pursued while waiting for approval of a biennial budget if an expansion decision is included there, nevertheless one is looking at best case 12 to 18 months from decision to implementation. DHS' past experience with expanding Family Care to new areas with new MCOs suggests these are reasonable timeframes. While the advanced planning and development done by Northeast Wisconsin Family Care might expedite the certification process somewhat, Family Care is a complex and challenging program that requires all the pieces to be in place before you open the doors. These timeframes are therefore reasonable and appropriate.

Sincerely,



Kitty Rhoades  
Deputy Secretary  
Department of Health Services



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2320/P1

TJD:jld:jm

RMR

In: 8/21/13

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

LX

Regen

- 1 AN ACT relating to: requiring the Family Care benefit and self-directed services  
2 option to be provided in certain northeastern Wisconsin counties. ✓

*Analysis by the Legislative Reference Bureau*

Under current law, in certain counties, Family Care and the self-directed services option known as IRIS, among other programs, provide community-based, long-term care services to individuals who meet certain functional and financial criteria and who are either frail elders or adults with physical or developmental disabilities. In each geographic area in which the Family Care benefit is available the Department of Health Services (DHS) contracts with an aging and disability resource center to provide information and determine eligibility for Family Care and a care management organization (CMO) to administer the Family Care benefit. DHS may contract with a county, a long-term care district, a governing body of a tribe or band or the Great Lakes Inter-Tribal Council, a joint association of those entities, or a private organization to be a CMO. Under current law, if DHS proposes to contract with an entity to administer the Family Care benefit in geographic areas in which, in the aggregate, resides more than 29 percent of the state population that is eligible for the Family Care benefit, DHS must first submit the proposed contract to the Joint Committee on Finance (JCF). DHS may enter into the proposed contract only if JCF approves.

of at least one of those counties

This bill requires DHS to do all of the following for residents of Brown, Door, Kewaunee, Marinette, Menominee, Oconto, and Shawano counties: contract with a resource center such that its services are available to residents before July 1, 2014, contract with a CMO to administer the Family Care benefit such that the benefit is

✓ 201

use 2x

2013 - 2014 Legislature

DHS must enter contracts and provide services for residents of all of those counties by July 1, 2016. ✓  
LRB-2320/P1  
TJD:jld:jm

of at least one of those counties ✓

available to residents on July 1, 2014; and provide services under IRIS such that services are available to residents on July 1, 2014. Under the bill, DHS is not required to obtain approval from JCF to enter these contracts or provide these services to residents of those seven counties.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

\*\*\*NOTE: Did you want to make any changes to the appropriations that fund Family Care or the COP and CIP waiver programs in this draft?

### SECTION 1. Nonstatutory provisions.

(1) FAMILY CARE EXPANSION TO NORTHEASTERN COUNTIES.

(a) The department of health services shall do all of the following for residents of the counties of Brown, Door, Kewaunee, Marinette, Menominee, Oconto, and Shawano:

1. Contract with an entity to provide the services under section 46.283 of the

statutes as a resource center such that services of a resource center are available to

residents before July 1, 2014. ✓

2. Contract with an entity as provided under section 46.284 (2) of the statutes

to administer the Family Care benefit as a care management organization such that

the family care benefit is available to residents on July 1, 2014. ✓

3. Provide services under the self-directed services option, known as IRIS, that

is operated under a waiver from the secretary of the federal department of health and

human services under 42 USC 1396n (c) such that the services are available to

residents on July 1, 2014. ✓

of at least one of those counties ✓

and residents of all of those counties before July 1, 2016 ✓

and residents of all of those counties before July 1, 2016



**(END)**

**Dodge, Tamara**

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**From:** Rep.Bies  
**Sent:** Wednesday, September 18, 2013 11:53 AM  
**To:** LRB.Legal  
**Cc:** Dodge, Tamara  
**Subject:** RE: Draft review: LRB -2320/P2 Topic: Expand Family Care to certain northeastern Wisconsin counties

Please Jacket this for our office.

Thanks,  
Cory Bruce  
Bies Office

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**From:** LRB.Legal  
**Sent:** Thursday, August 22, 2013 8:39 AM  
**To:** Rep.Bies  
**Subject:** Draft review: LRB -2320/P2 Topic: Expand Family Care to certain northeastern Wisconsin counties

**Following is the PDF version of draft LRB -2320/P2.**



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2320(P2) 1  
TJD:jld:jf

In: 9/19/13 *soon*

RMR

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

2013 BILL

Please  
Jacket  
for  
Assembly

*V* Regen

- 1 AN ACT relating to: requiring the Family Care benefit and self-directed services  
2 option to be provided in certain northeastern Wisconsin counties.

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***Analysis by the Legislative Reference Bureau***

Under current law, in certain counties, Family Care and the self-directed services option known as IRIS, among other programs, provide community-based, long-term care services to individuals who meet certain functional and financial criteria and who are either frail elders or adults with physical or developmental disabilities. In each geographic area in which the Family Care benefit is available the Department of Health Services (DHS) contracts with an aging and disability resource center to provide information and determine eligibility for Family Care and a care management organization (CMO) to administer the Family Care benefit. DHS may contract with a county, a long-term care district, a governing body of a tribe or band or the Great Lakes Inter-Tribal Council, a joint association of those entities, or a private organization to be a CMO. Under current law, if DHS proposes to contract with an entity to administer the Family Care benefit in geographic areas in which, in the aggregate, resides more than 29 percent of the state population that is eligible for the Family Care benefit, DHS must first submit the proposed contract to the Joint Committee on Finance (JCF). DHS may enter into the proposed contract only if JCF approves.

This bill requires DHS to do all of the following for residents of Brown, Door, Kewaunee, Marinette, Menominee, Oconto, and Shawano counties: contract with a resource center such that its services are available to residents of at least one of those counties before July 1, 2015; contract with a CMO to administer the Family Care

benefit such that the benefit is available to residents of at least one of those counties on July 1, 2015; and provide services under IRIS such that services are available to residents of at least one of those counties on July 1, 2015. DHS must enter contracts and provide services for residents of all of those counties by July 1, 2016. Under the bill, DHS is not required to obtain approval from JCF to enter these contracts or provide these services to residents of those seven counties.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1. Nonstatutory provisions.**

(1) FAMILY CARE EXPANSION TO NORTHEASTERN COUNTIES.

(a) The department of health services shall do all of the following for residents of the counties of Brown, Door, Kewaunee, Marinette, Menominee, Oconto, and Shawano:

1. Contract with an entity to provide the services under section 46.283 of the statutes as a resource center such that services of a resource center are available to residents of at least one of those counties before July 1, 2015 and residents of all of those counties before July 1, 2016.

2. Contract with an entity as provided under section 46.284 (2) of the statutes to administer the Family Care benefit as a care management organization such that the family care benefit is available to residents of at least one of those counties on July 1, 2015 and residents of all of those counties before July 1, 2016.

3. Provide services under the self-directed services option, known as IRIS, that is operated under a waiver from the secretary of the federal department of health and human services under 42 USC 1396n (c) such that the services are available to residents of at least one of those counties on July 1, 2015 and residents of all of those counties before July 1, 2016.

1 (b) Notwithstanding section 46.281 (1g) (b) of the statutes, the department of  
2 health services is not required to obtain approval from the joint committee on finance  
3 to enter contracts or provide services as described in paragraph (a).

4 (END)